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DIRECTORATE OF INTELLIGENCE

MEMORANDUM

The Situation in Vietnam

Top Secret

114 26 June 1967

Information as cf 1600 26 June 1967

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HIGHLIGHTS

In contrast to the heavy contact of the weekend, light and widely scattered actions were reported on 26 June.

The Military Situation in South Vietnam: A US patrol in central Binh Dinh Province located an enemy regimental-size hospital complex (Para. 2). US Marines began a new sweep effort named Operation CALHOUN in Quang Nam Province on 25 June (Para. 3).

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The 5th

Viet Cong Division, which has traditionally operated in the northeastern III Corps area with two regiments, may soon be reinforced with a third regiment (Paras. 6-7).

- Political Developments in South Vietnam: II. During a conference begun on 25 June in Pleiku for the purpose of drawing up a special law for the montagnards, Premier Ky made verbal promises to meet all the tribesmen's demands (Paras. 1-2). Both the Provisional National Assembly and the Peoples-Army Council have petitioned the government to ensure free elections, particularly by abolishing press censorship (Paras. 3-5). A Chinese deputy in the assembly has been campaigning for Premier Ky among the Chinese community in the Saigon-Cholon area (Para. 6).
- North Vietnamese Military Developments: There is nothing of significance to report.
- Other Communist Military Developments: Chinese shoot down US aircraft south of Hainan (Paras. 1-2).
- V. Communist Political Developments: Another foreign correspondent is told Ho Chi Minh is ill (Paras. 1-2).

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ANNEX

The Situation in the Coastal Provinces of South Vietnam's II Corps

US observers see noticeable military progress in the heavily populated coastal provinces of central South Vietnam where GVN, US, and South Korean military operations during the past year have severely damaged the Communists. The enemy retains a capability to conduct major campaigns this summer, however.

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I. THE MILITARY SITUATION IN SOUTH VIETNAM

- 1. After a weekend of reported heavy contact between allied and Communist forces throughout South Vietnam, only light and widely scattered actions were reported on 26 June.
- 2. A US patrol with scout dogs discovered a large Communist hospital complex several miles west of Route 1 in coastal Binh Dinh Province. The hospital, located about six miles southwest of Phu My, was hastily abandoned approximately two hours prior to being discovered. The hospital was estimated to be large enough to support a regimental-size enemy unit and could have possibly served elements of the North Vietnamese Army (NVA) 3rd Division and/or other main force and local guerrilla units operating in Binh Dinh Province.
- 3. Six battalions of US Marines began a new sweep operation--codenamed CALHOUN--28 miles south of Da Nang in the southern portion of Quang Nam Province on 25 June. This search-and-destroy operation is another of a series of US Marine efforts to clear known enemy concentrations and base camps in the Quang Nam Quang Tin Province area. Nearly 2,000 Communist troops are estimated to be active within the CALHOUN area. Only light contact has thus far been reported; eight enemy soldiers have been killed.

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5th Viet Cong Division Reinforcements

- 6. The 5th Viet Cong Light Infantry Division, which has traditionally operated in the southeastern III Corps area with two regiments, may soon be reinforced with a third regiment.
- 7. Two recent ralliers from the 5th Division have referred to a "third regiment." One stated that he personally saw the new unit, which was composed of North Vietnamese Army personnel undergoing training. The other rallier stated that in addition to a new regiment, the existing 275th Regiment of the 5th Division has received "many young North Vietnamese Army replacements." The second source indicated that the new regiment would be ready early this summer. The upgrading of the 5th to full division status would appreciably increase the enemy threat in the southeastern III Corps area.

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II. POLITICAL DEVELOPMENTS IN SOUTH VIETNAM

- l. Premier Ky verbally promised to meet montagnard demands during a conference begun on 25 June in Pleiku and aimed at drawing up a special statute for the tribesmen. According to press reports, Ky pledged to accept the provisions of a petition drafted at the conference which called chiefly for creation of a cabinet-level ministry for montagnard affairs and the appointment of montagnard officers, rather than Vietnamese, to montagnard military units.
- 2. The montagnards have several times been disappointed by government leaders who have made verbal promises to meet their demands. It remains to be seen how sincere Ky's promises are; the pledge may simply be a ploy to gain additional support in the forthcoming elections.

Appeals for Free Elections

- 3. According to local Vietnamese press reports, the Peoples Advisory Army Council met on 24 June and petitioned the government to institute certain measures to ensure a free election. These measures include: punishment of civil servants found cheating in the elections; request for a United Nations team to observe and supervise the elections; permission for newsmen from throughout the world to observe and report on the elections; abolition of press censorship during the elections; permission for each ticket of presidential and vice-presidential candidates to publish an election campaign paper; and "unreserved assistance" to help voters' and people's organizations participate in the elections.
- 4. The Provisional National Assembly has issued a similar appeal for abolition of press censorship, according to press reports. In a letter to the Directorate made public during its 26 June session, the assembly urged that censorship be repealed in order to ensure free elections and to prevent adverse enemy propaganda.

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5. It is unlikely that either petition will have much effect, especially in respect to press censorship. Although censorship appears recently to have eased somewhat, Ky seems determined to retain some measure of control over what appears in the local press.

Electioneering in Cholon

6. Trieu Sen Hoach, a Chinese deputy in the Provisional National Assembly and a member of the Saigon Municipal Council, is reportedly working among the Chinese community in the Saigon-Cholon area to solicit support for Premier Ky.

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Hoach originally favored Tran Van
Huong for the presidency, but has changed his allegiance
because he now feels "100 percent sure" that Ky will
win. Hoach claims to have been given this campaign
role by Saigon Mayor Van Van Cua and is himself
running on a ticket with Cua for the upper house.

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III. MILITARY DEVELOPMENTS IN NORTH VIETNAM

1. There is nothing of significance to report.

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IV. OTHER COMMUNIST MILITARY DEVELOPMENTS

1. A US F4C was downed south of Hainan Island on
26 June, probably by Chinese Communist fighters. Ac-
cording to US operational reports, the aircraft was
on a ferry flight from the Philippines to South Viet-
nam when it experienced navigational problems. The air-
craft went down at 5:50 AM EDT at 17-35N 109-20E. Air-
craft sent to rescue the pilots of the downed aircraft
reportedly were fired upon by Chinese Communist boats.
The Chinese boats left when a US destroyer approached,
however, and the pilots were recovered.

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V. COMMUNIST POLITICAL DEVELOPMENTS

1. North Vietnamese officials have told another
foreign correspondent that Ho Chi Minh is ill. The
correspondent,
was told by a
DRV Foreign Ministry official that Ho was not giving
press interviews because the "condition of his health
was not very good." There is still no indication of
what is wrong with the North Vietnamese President, but
was led to believe that
Ho was suffering some disability connected with his
age and fatigue, and that he was "resting someplace
in the countryside."

2. This is the third report of this nature in recent months. Ho continues to remain out of public view. His last known appearance was in mid-March and he has failed to take part in the public ceremonies connected with recent visits by two high-level European delegations to Hanoi--an Hungarian military delegation in mid-May and a Polish delegation from 17 to 22 June.

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ANNEX

THE SITUATION IN THE COASTAL PROVINCES OF SOUTH VIETNAM'S II CORPS

Summary

US observers believe that there has been noticeable military progress in the heavily populated, rice-producing coastal provinces of central South Vietnam where GVN, US, and South Korean military operations during the past year have severely damaged enemy main forces. North Vietnamese and Viet Congunits in the region have not been destroyed, however, and they retain a capability to conduct major campaigns this summer. In addition, the clandestine Viet Cong infrastructure remains effective in many areas and is capable of frustrating GVN efforts to expand Saigon's control over the population.

Military Operations

- 1. In Binh Dinh Province, allied forces--primarily the US 1st Air Cavalry Division and the Korean Capital Division--have harassed the North Vietnamese Army 3rd Division for the past 18 months, forcing it to disperse and retreat into the highlands along the Binh Dinh Kontum Quang Ngai border. Similar progress has been made in Phu Yen Province to the south, where the two major enemy units--the 95th NVA Regiment and the 85th Viet Cong main force battalion--were hard hit by allied forces in late 1966. Since then, the 85th has made every effort to avoid combat and only in recent weeks has the 95th showed signs of renewed aggressiveness.
- 2. In Khanh Hoa Province, US sources report that the presence of the Korean 9th (White Horse) Division since the summer of 1966 has had a "numbing effect" on the Viet Cong, especially in districts immediately along the coast and in the area surrounding the provincial capital, Nha Trang. The main enemy unit in Khanh Hoa, the 18B NVA Regiment, has been unable to shift troops between its most important base areas, located near Da Ban and on the Hon Heo Peninsula.

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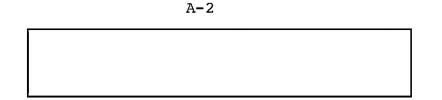
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The total strength of the 18B Regiment was originally estimated at about 2,400 troops, but this year it is believed to have been reduced to about 1,900.

- 3. Ninh Thuan is the only province along the central coast in which a general military stalemate appears to exist. The Korean and ARVN battalions assigned to the province reportedly have been unable to provide basic security for the population outside of the immediate vicinity of the provincial capital and the four district headquarters. According to US sources, the Viet Cong have dominated the entire southern half of the province over the past year, and even in the northern half they apparently have been able to penetrate most of the rural hamlets.
- 4. Enemy successes in Ninh Thuan have been accomplished by a relatively small number of Communist regular troops. During 1966, enemy forces in the province were believed to consist primarily of irregulars, which according to a captured enemy document numbered approximately 4,400. In December 1966, however, a North Vietnamese Army battalion reportedly arrived to reinforce local units.
- 5. The military situation in Binh Thuan Province, the southernmost coastal province in the II Corps area, is reported to be improving. There are two Viet Cong battalions (the 482nd and the 840th) in the province and they have been under almost constant pressure from a battalion of the US 1st Air Cavalry Division and two ARVN battalions supporting Revolutionary Development. The Communists reportedly have been unable to mount a major attack on a center of population or even carry out any significant acts of sabotage in the southern portion of the province since July 1966. An experienced US intelligence officer, however, states that the 482nd Battalion is "not yet beaten."
- 6. US observers conclude that in these coastal provinces of II Corps, the Viet Cong and North Vietnamese units have been driven from the lowlands into sparsely populated jungle and mountain retreats and have found it increasingly difficult to supply themselves with food, water, and medicines. This has forced them in some instances to rely on increased

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coercion and terrorism to obtain supplies from the people, who in some areas are becoming alienated from the Communists.

7. Another result of the stepped-up allied military activity during the past year has been lower enemy morale, reflected in an increased number of Chieu Hoi ralliers. Most of these defectors, however, are young, low-level guerrillas. The hard-core apparently remain "as staunch as ever" and the Communist infrastructure in the villages is being only slowly eroded or fragmented. In several coastal provinces, however, successful work by the Military Security Service and the National Police has resulted in the arrest of some medium and high level Communist cadre.

GVN Progress

- 8. One tangible result of the allied military campaign in the coastal provinces has been the opening of roads, including the major north-south coastal Route 1, which is now reasonably safe for normal traffic during the day from Binh Dinh Province southward to Phan Rang city in Ninh Thuan Province. Some roads from the coast into the interior also have been made comparatively safe, although in many cases the Viet Cong are still able to mount roadblocks and maintain taxation points.
- 9. Indications of GVN political progress are less clear. In some areas, allied military victories have created political vacuums which the GVN has found difficult to fill, and US sources believe that more GVN police and civic action personnel are needed to catch up with military clearing operations. In Binh Dinh and Phu Yen provinces the Vietnamese have responded with some initiatives of their own to provide a government presence in the newly cleared areas.
- 10. One factor which has allegedly prevented the GVN from taking full advantage of allied military successes against the Viet Cong is the prevalence of northerners among local GVN officials. In Phu Yen Province the province chief, deputy province chiefs, and police

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5X1	chief are all northerners, whereas almost all of the Viet Cong district and provincial cadre are natives of the province. Other factors which contribute to a lack of confidence in the GVN and are probably more important to the average villager are the prevalence of petty corruption, graft, and inflationary pressures. In general,	2
X1 ,	or the people along the central coast remain uncommitted, although further successes in Revolutionary Development in these provinces may dispel their apathy.	2
	ll. The strength of the GVN in the coastal provinces of central South Vietnam is directly related to the strength of the military shield provided by allied military forces. In recent months this shield has provided the GVN with some opportunity to develop, but more time is needed to exploit the opportunity.	
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